

# INDIA JURIS

## REVIEW OF NON BANKING FINANCIAL COMPANY GUIDELINES BY RBI

NBFC – Factors (Reserve Bank) Directions, 2012 – Review (February 18, 2016)

The Reserve Bank of India had reviewed the guidelines on provision of factoring services by banks and specified certain conditions under which banks can departmentally undertake factoring activities. To ensure against regulatory gaps arising from differential regulations as between NBFC, the following instructions are being issued to NBFC,

[Read more](#)

## RELAXATION FOR STARTUPS RELATING TO ISSUE OF SHARES BY RBI

Regulatory Relaxations for Startups - Clarifications relating to Issue of Shares (February 11, 2016)

### 1. Regulatory Relaxations for Startups - Clarifications relating to Issue of Shares

Pursuant to the Sixth Bi-Monthly Monetary Policy Statement for 2015-16, Reserve Bank of India vide Press Release dated February 2, 2016, had announced that in case of startups, certain permissible transactions under the existing regulatory framework shall be clarified. One of the issues related to issue of shares without cash payment by the investor through sweat equity or against any legitimate payment owed by the company remittance of which does not require any permission under FEMA, 1999.

[Read more](#)

## RELAXATION FOR STARTUPS RELATING TO ACCEPTANCE BY RBI

**Regulatory relaxations for Start-ups - Clarifications relating to acceptance of**

## WORLD PRACTICE

Asia Europe USA UK Middle East Africa

23 February 2016

In this issue:

- **REVIEW OF NON BANKING FINANCIAL COMPANY GUIDELINES BY RBI**
- **RELAXATION FOR STARTUPS RELATING TO ISSUE OF SHARES BY RBI**
- **RELAXATION FOR STARTUPS RELATING TO ACCEPTANCE BY RBI**
- **REGULATIONS ON CROSS BORDER TRANSACTIONS FOR STARTUPS**

INDIA JURIS

F-116

Lajpat Nagar-1

New Delhi - 110 024, India

Ph: +91-11-29814816 / 29814817

Fax: +91-11-29815116

E: [newdelhi@indiajuris.com](mailto:newdelhi@indiajuris.com)

## payments (February 11, 2016)

### 1. Regulatory relaxations for Start-ups - Clarifications relating to acceptance of payments

Pursuant to the Sixth Bi-Monthly Monetary Policy Statement for 2015-16, Reserve Bank of India vide Press Release dated February 2, 2016, had announced that in case of start-ups, to facilitate ease of doing business, certain permissible transactions under the existing regime shall be clarified. One of the issues relate to the start-ups accepting payment on behalf of overseas subsidiaries.

[Read more](#)

## REGULATIONS ON CROSS BORDER TRANSACTIONS FOR STARTUPS

### Monetary Policy Statement, 2015-16 (Feb 02, 2016)

The Reserve Bank of India (RBI) is introducing regulatory changes to ease cross-border transactions for startups in India. This will enable startups to receive foreign VC investments without any restrictions. The changes will be finalised in consultation with the government.

[Read more](#)

[www.indiajuris.com](http://www.indiajuris.com)

### International Desks

#### Asia & Australia

M.P.Mehani  
[asia@indiajuris.com](mailto:asia@indiajuris.com)

#### Americas

Shivkumar Idnani  
[americas@indiajuris.com](mailto:americas@indiajuris.com)

#### UK & Europe

Sameer Rastogi  
[europe@indiajuris.com](mailto:europe@indiajuris.com)

#### Africa

Rahul Gupta  
[africa@indiajuris.com](mailto:africa@indiajuris.com)

#### Middle East

Dinesh Sabharwal  
[middleeast@indiajuris.com](mailto:middleeast@indiajuris.com)